

HOUSE BILL NO. 136

INTRODUCED BY S. FISHER, J. BRUEGGEMAN, M. TAYLOR

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING FUNERAL DIRECTORS, UNDERTAKERS, OR MORTICIANS AND THEIR OFFICERS, EMPLOYEES, OR REPRESENTATIVES TO BE LICENSED AS INSURANCE PRODUCERS; AMENDING SECTION 33-17-211, MCA; AND REPEALING SECTION 33-18-301, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Funeral director, undertaker, or mortician as insurance producer -- license required -- conditions. (1) A funeral director, undertaker, or mortician operating in this or any other state may be licensed as an insurance producer according to the provisions of 33-17-211 and 33-17-212.

(2) An officer, employee, or representative of a funeral director, undertaker, or mortician operating in this or any other state may be licensed as an insurance producer according to the provisions of 33-17-211 and 33-17-212.

Section 2. Section 33-17-211, MCA, is amended to read:

"33-17-211. General qualifications -- application for license. (1) An individual applying for a license shall apply on a form specified by the commissioner and declare under penalty of refusal, suspension, or revocation of the license that statements made in the application are true, correct, and complete to the best of the individual's knowledge and belief. Before approving the application, the commissioner shall verify that the individual:

(a) is 18 years of age or older;

(b) has not committed an act that is a ground for refusal, suspension, or revocation as set forth in 33-17-1001;

(c) has paid the license fees stated in 33-2-708;

(d) has successfully passed the examinations for each kind of insurance for which the individual has applied within 12 months of application;

(e) is a resident of this state or of another state that grants similar privileges to residents of this

state. Licenses issued based upon Montana state residency terminate if the licensee relocates to another state;

(f) is competent, trustworthy, and of good reputation; and

(g) has experience or training or otherwise is qualified in the kind or kinds of insurance for which the applicant applies to be licensed and is reasonably familiar with the provisions of this code ~~which~~ that govern the applicant's operations as an insurance producer; ~~and~~

~~(h) if applying for a license as to life or disability insurance;~~

~~—— (i) is not a funeral director, undertaker, or mortician operating in this or any other state;~~

~~—— (ii) is not an officer, employee, or representative of a funeral director, undertaker, or mortician operating in this or any other state; or~~

~~—— (iii) does not hold an interest in or benefit from a business of a funeral director, undertaker, or mortician operating in this or any other state.~~

(2) A person acting as an insurance producer shall obtain a license. A person shall apply for a license on a form specified by the commissioner. Before approving the application, the commissioner shall verify that:

(a) the person meets the requirements listed in subsection (1);

(b) the person has paid the licensing fees stated in 33-2-708 for each individual licensed in conjunction with the person's license. A licensed person shall promptly notify the commissioner of each change relating to an individual listed in the license.

(c) the person has designated a licensed officer responsible for compliance by the person with the insurance laws and rules of this state;

(d) each member and employee of a partnership and each officer, director, stockholder, or employee of a corporation who is acting as an insurance producer in this state has obtained a license;

(e) (i) if the person is a partnership or corporation, the transaction of insurance business is within the purposes stated in the partnership agreement or the articles of incorporation; and

(ii) if the person is a corporation, the secretary of state has issued a certificate of existence or authorization under 35-1-1312 or filed articles of incorporation under 35-1-220.

(3) The commissioner may license as a resident insurance producer an association of licensed Montana insurance producers, whether or not incorporated, formed and existing substantially for purposes other than insurance. The license must be used solely for the purpose of enabling the association to place,

1 as a resident insurance producer, insurance of the properties, interests, and risks of the state of Montana
2 and of other public agencies, bodies, and institutions and to receive the customary commission for the
3 placement. The president and secretary of the association shall apply for the license in the name of the
4 association, and the commissioner shall issue the license to the association in its name alone. The fee for
5 the license is the same as that required by 33-2-708(1)(a). The commissioner may, after a hearing with
6 notice to the association, revoke the license if the commissioner finds that continuation of the license is
7 not in the public interest or that a ground listed in 33-17-1001 exists.

8 (4) An insurance producer using an assumed business name shall register the name with the
9 commissioner before using it."

10
11 NEW SECTION. **Section 3. Repealer.** Section 33-18-301, MCA, is repealed.

12
13 NEW SECTION. **Section 4. Codification instruction.** [Section 1] is intended to be codified as an
14 integral part of Title 33, chapter 17, part 2, and the provisions of Title 33, chapter 17, part 2, apply to
15 [section 1].

16 - END -